

Message Text

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ACTION EB-11

INFO OCT-01 AF-10 EUR-25 ADP-00 CAB-09 CIAE-00 COME-00

DODE-00 INR-10 NSAE-00 RSC-01 FAA-00 L-03 RSR-01 /071 W
----- 102102

R 031514 Z APR 73

FM AMEMBASSY LAGOS
TO SECSTATE WASHDC 9001
FAA BRUSSELS

LIMITED OFFICIAL USE SECTION 1 OF 2 LAGOS 2688

E. O. 11652: N/ A

TAGS: ETRN, AREG, US, NI

SUBJECT: TWA CONTRACT WITH NIGERIA AIRWAYS

REFERENCE: LAGOS 2293

1. BEGIN SUMMARY: NIGERIA AIRWAYS (NA) IS APPARENTLY RESOLVING ITS AIRCRAFT CONFIGURATION AND CREWING PROBLEMS IN WAYS THAT PORTEND SERIOUS DIFFICULTIES FOR TWA CONTRACT. NA'S NEW BOEING ARE BEING PUT INTO SERVICE IN ARB CONFIGURATION. NA'S CREWS WILL APPARENTLY BE MULTI- NATIONAL GROUP OF INDIVIDUAL CONTRACTS PROCURED AT LOWEST POSSIBLE PRICES, WHICH COULD GIVE TWA PROBLEM IN SAFETY, TRAINING AND DISCIPLINE.

END SUMMARY.

2. IT IS NOT CLEAR TO EMBASSY WHETHER NIGERIA AIRWAYS MISSED AND SCHEDULED INTERNATIONAL FLIGHTS OVER THE WEEKEND BECAUSE OF LACK OF AIRCRAFT AND/ OR CREWS. TWA TELLS US THAT AER LINGUS' 707 IS GONE, BUT IT IS POSSIBLE THAT AER LINGUS' 737 IS STILL IN SERVICE ON WEST AFRICAN ROUTES. MONDAY IS A SLOW DAY HERE FOR INTERNATIONAL AIR SERVICES, SO TODAY'S RESULTS SHOULD PROVIDE A CLEARER PICTURE AS TO JUST WHAT IS HAPPENING.

3. NEVERTHELESS, OUTLOOK IS NOT GOOD FOR TWA CONTRACT AS ON MARCH 31 TWA LAGOS RECEIVED A LETTER SIGNED BY MOT

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PERMSEC LONGE (DEPUTY PERMSEC OBI HAS BEEN OUT OF THE COUNTRY PAST FEW DAYS) STATING (A) FMG HAS DECIDED NOT TO TAKE TWA CREWS BUT ALTERNATIVE ARRANGEMENTS ARE BEING MADE AND (B) MOT URGENTLY NEEDS STATEMENT OF TWA PLANS FOR TRAINING OF FLIGHT PERSONNEL AND WOULD LIKE TO HAVE COST ESTIMATES BEFORE END OF THIS WEEK.

4. TWA REPLIED SAME DAY ASKING WHAT THE ALTERNATIVE CREWING ARRANGEMENTS WOULD BE AND NOTED THAT SEVERAL DAYS WOULD BE REQUIRED TO GIVE A SUMMARY OF TWA'S RECOMMENDATIONS REGARDING TRAINING OF FLIGHT PERSONNEL.

5. TWA HAS LEARNED THROUGH ITS OWN SOURCES THAT (A) NA HAS PROBABLY COMPLETED TEMPORARY ARRANGEMENTS WITH AER LINGUS TO PROVIDE CREWS FOR UP TO A MONTH TO FLY NA'S NEW 707 AND POSSIBLY 737; (B) IN MEANTIME OBI IS UNDERSTOOD TO BE CONTRACTING WITH GEMINI, A BAHAMAN CORPORATION, FOR AIRCRAFT CREWS ON A CONTRACT BASIS. THESE CREWS HAVE FLIGHT CERTIFICATION BUT ARE ESSENTIALLY " PICK- UP GROUPS" WHOM TWA MANAGER REFERS TO AS " UNITED NATIONS MELANGES."

6. TWA BELIEVES THAT NA IS TAKING THIS ROUTE BECAUSE OF HIGH COST OF TWA FLIGHT PERSONNEL. TWA PROPOSED CHARGES TWICE AS HIGH FOR ITS CREWS AS NON- AMERICAN REGULAR INTERNATIONAL CARRIERS CHARGE AND TWO AND ONE HALF TIMES AS MUCH AS GROUPS SUCH AS GEMINI ASK. TWA JUSTIFIES THIS DIFFERENTIAL PARTLY BECAUSE ITS CREWS CONSIST OF INTRUCTORS WHO DO TRAINING DURING FLIGHT, AND SECONDARILY BECAUSE THE QUALITY OF THE INDIVIDUALS IS SIMPLY BETTER. IF EUROPEAN CREWS ARE USED, TWA SAYS OTHER MEANS, WHICH WOULD ADDTO COSTS, WOULD HAVE TO BE USED FOR TRAINING. TWA ADMITS THAT IN SOME OF ITS OTHER CONTRACTS NON- AMERICAN FLIGHT CREWS HAVE BEEN USED, BUT IT STRESSES THAT IT, RATHER THAN THE HOST GOVERNMENT, DID THE RECRUTING SO THAT THESE PERSONNEL UNDERSTOOD THEY WERE DIRECTLY RESPONSIBLE TO TWA MANAGEMENT. TWA SAYS RESULT OF SUCH EXERCISES WERE SATISFACTORY WHEN CREWS WERE OBTAINED FROM OTHER REGULAR INTERNATIONAL AIRLINES AND PASSABLE WHEN IT RECRUITED CONTRACT PERSONNEL ON AN INDIVIDUAL BASIS AND THEN FITTED CREWS TOGETHER ITSELF.

7. COMMENT:

(A) FAILURE TO CONSULT EFFECTIVELY WITH TWA OVER CREWING
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AND CONFIGURATION PROBLEMS MAY BE AS PORTENTOUS AS THE END

RESULT. TWA (NEW YORK) MANAGER OF THE PROJECT, MR. HOWEVELER, MADE A SPECIAL TRIP TO NIGERIA IN MIDDEL OF LAST WEEK TO OFFER HIS HELP IN WORKING OUT SOLUTIONS TO THESE PROBLEMS. ON HOEVELER'S ARRIVAL OBI SIMPLY TOLD HIM THERE WAS NOTHING TO DISCUSS. LAWSON'S INABILITY TO INFLUENCE LONGE AND OBI ON CONFIGURATION AND CREWING IS ALSO DISTURBING. ON JANUARY 22 BAKER EXPLAINED AT LENGTH TO FMG SECRETARY LAWSON THE PROBLEMS THAT AMERICANS WOULD HAVE IN TRYING TO OPERATE AN AIRLINE OR AN AIRWAYS SYSTEM UNDER NON-AMERICAN STANDARDS. BAKER STRESSED THAT THERE WAS NO POINT IN BRINING AMERICAN OVER HERE TO TRAIN NIGERIANS IS A THIRD COUNTRY' S SYSTEM WERE USED. HE CONCLUDED THAT IF FAA WAS TO COME OVER, NIGERIA WOULD CERTAINLY WANT TO ADOPT THE U. S. SYSTEM, OTHERWISE IT SHOULD NOT ASK FOR US PEOPLE. LAWSON CLEARLY UNDERSTOOD THAT SAME CONSIDERATION APPLIED TO TWA CONTRACT.

(B) THE TWO KEY PROBLEMS TWA MUST NOW FACE ARE : (1) WILL IT BE POSSIBLE TO COPERATE AN AIRLINE AND TRAIN PERSONNEL WHEN THERE ARE MANY NEW KEY PEOPLE WHO OBVIOUSLY OWE THEIR ALLEGIANC ELSEWHERE? (2) WILL IT BE POSSIBLE TO USE EQUIPMENT STANDARDS AND OPERATIONAL PROCEDURES WITH WHICH TWA IS NOT FAMILIAR?

(C) THE DENOUMENT SHOULD BECOME CLEAR THIS MONTH AS THESE STAGES ARE PASSED (1) SPECIAL REPORT THIS WEEK ON TRAINING COSTS AND METHODS; (2) PRELIMINARY SUMMARY OF THE FULL STUDY WHICH IS TO BE PRESENTED TO NIGERIA ON APRIL 13; (3) COMPLETE TWA STUDY IS DUE ABOUT APRIL 23; (4) SIX- MONTH ADVISORY PERIOD EXPIRES ON APRIL 30, AND BEFORE THAT TIME BOTH TWA AND NA MUST DECIDE WHETHER THEY WISH TO MOVE INTO FULL MANAGEMENT CONTRACT.

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ACTION EB-11

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R 031514 Z APR 73

FM AMEMBASSY LAGOS
TO SECSTATE WASHDC 9002
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8. EFFECT ON FAA: AS OBI HAS BEEN OUT OF COUNTRY SINCE
FAA ROPOSAL ARRIVED (DEPTEL 57000) THERE HAS BEEN NO
OPPORTUNITY TO PRESENT PROPOSAL TO MOT. SINCE TWA'S
CURRENT DIFFICULTIES CENTER ON HIGH COSTS THERE IS LITTLE
LIKELIHOOD THAT MOT WILL REACT FAVORABLY TO FAA PROPOSAL.
THE AVERAGE ANNUAL COSTS PER MAN IN THE FAA PROPOSAL IS
111,000 DOLLARS, ABOUT FOUR TIMES THAT ESTIMATED WAVERAGE
BASE SALARY OF TECHNICIANS MAKING UP THE GROUP AND ABOUT
25 PERCENT HIGHER THAN ANY AVERAGE FIGURES FOR THIS TEAM
PREVIOUSLY DISCUSSED WITH MOT. MOREOVER, FAA'S STRAIGHT-
FORWARD CONDITIONING OF HELP HERE ON ADOPTION OF AMERICAN
STANDARDS RUNS SQUARELY INTO NIGERIAN STUBBORNNESS ON THIS
POINT. NEVERTHELESS, EMBASSY SEES NO OTHER ALTERNATIVE
THAN TO PRESENT ESTIMATES AS THEY STAND, EVEN THOUGH WE
EXPECT NIGERIANS WILL BALK AT PRICES. BUT NIGERIANS ARE

DESPERATE FOR HELP, AND THEY HAVE FEWER ALTERNATIVES IN
THIS AREA THAN IN SEEKING HELP FOR NA.

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